



OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note

Fiscal Note On: **HB 352** HLS 12RS 964  
Bill Text Version: **ENROLLED**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> May 16, 2012 4:06 PM	<b>Author:</b> BURFORD
<b>Dept./Agy.:</b> DeSoto Parish Sheriff's Office	
<b>Subject:</b> DeSoto Parish Retired Employees' Insurance Fund	<b>Analyst:</b> Staci Cefalu

INSURANCE/GROUP-SHERIFFS EN SEE FISC NOTE LF EX See Note Page 1 of 1  
Creates a fund to pay group insurance premiums for retired sheriffs and deputy sheriffs in DeSoto Parish

**Purpose of Bill:** This measure creates the DeSoto Parish Retired Employees' Insurance Fund (DREIF) to pay group insurance premiums for eligible retired sheriffs and deputy sheriffs. The DREIF will receive annually 1 percent of the monies received in the sheriff's general fund (reduced to 1/2 of 1 percent once the DREIF equals \$4 million, but reverts back to 1 percent if the monies fall below \$4 million) and any other monies that the sheriff may contribute. Earnings realized on the monies invested in the fund will be used to pay insurance premium costs and legal representation costs when the principal and accumulated earnings equal \$4 million. If total principal and earnings fall below \$4 million, no earnings will be withdrawn and any balance owed for the payment of insurance premiums and legal representation costs will be paid from the sheriff's general fund.

In addition, the measure requires the sheriff to establish a 3 member investment advisory board, including the comptroller of the sheriff's department and 2 retired sheriffs or deputy sheriffs to be appointed by the sheriff.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

**EXPENDITURE EXPLANATION**  
**This proposed measure may increase local governmental expenditures for the DeSoto Parish Sheriff's Office.**

The DeSoto Parish Sheriff's Office would be required to make payments to the fund until the total amount of the fund equals \$4 million. Based on the previous year's audit report, this amount may be \$200,000 (\$20 million times 1 percent). When the fund is above \$4 million, the amount of the expenditures may be \$100,000 every year (\$20 million times 1/2 percent).

According to an official with the DeSoto Parish Sheriff's Office, the office plans to fund the DREIF with \$4 million of general funds once this measure is enacted.

An official with the DeSoto Parish Sheriff's Office indicated that they currently pay insurance premiums for retirees and will continue to pay the amount of the premiums not covered by the earnings of the DREIF.

There are no anticipated costs associated with the establishment of the investment advisory board, as the sheriff appoints the two members who are not ex-officio and compensation will not be provided. There may be expenditures for investing DREIF funds.

**REVENUE EXPLANATION**  
**This proposed measure may increase local governmental revenues for the DeSoto Parish Sheriff's Office.**

An official with the DeSoto Parish Sheriff's Office indicated that the measure may result in an increase in revenue due to investing DREIF funds. However, the investment income above the amount of the insurance payments will be considered DREIF funds.

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Joy Irwin Director of Advisory Services